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Preliminary report on attached

5/5/50

1. According to Commander ^{25X1A} [REDACTED], OGD, who discussed the whole matter in detail over the telephone with a Mr. King, State-Defense Military Information Control Committee (SDMICC) is SANACC reincarnated and now called, phonetically, SWARMAC. Our observers are Mr. ^{25X1A} [REDACTED] and Mr. ^{25X1A} [REDACTED], one of them characterized as an alternate.

2. It is the policy of SWARMAC to deny to the ^{25X1C} [REDACTED] anything about Latin America whatsoever it may be. The reasons for this stand were not given, presumably on account of the danger of discussing classified information over the telephone. Should CIA especially desire, the policy continues, to send some particular piece of intelligence on EX LA to ^{25X1C} [REDACTED] CIA is empowered to put each special case before SWARMAC, giving cause why it should be made an exception.

3. It was the volunteered opinion of GDR ^{25X1A} [REDACTED] that ^{25X6} [REDACTED] should be made a test case in the matter of just why LA is quarantined. I should agree except that I can think of no reason offhand why SR-53 should, or should not be sent to any given country including the Scandinavian.

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4. I should suggest instead, assuming that there is no hurry and that Mr. ^{25X1A} [REDACTED] will be back some time from wherever he is, that I talk with him and try to find out why the prohibition. If it makes as little sense as it seems to, ~~Approved For Release 2001/07/27 : CIA-RDP84-00022R000200030020-8~~ as it seems to, ~~SECRET~~

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Final Report regarding Exchange of SR-59 with ^{25X1C} [REDACTED] (will give you in writing if you want to make it formal.)

1. The committee that overrides the DCI on recommendations for exchange with ^{25X1C} [REDACTED] is SANAC-MIC, one of the many committees under the original SANACC. SANACC is dead, in much the same manner as the Office of Seeds and Standards, but SANAC-MIC has gone marching on because it is indispensable. CIA is not represented on this committee but has observers. CIA does not, I take it, have to follow the policies of SANAC-MIC but does so as a matter of choice for fear of offending someone.
2. SANAC-MIC has many a gladsome policy, covering the exchange of military information ^{with} ~~in~~ countries ranging ^{from} ~~between~~ Abyssinia ^{to} ~~and~~ Zululand. Among these might be enumerated:

- (a) No information concerning Latin America or Canada
 - (b) No information derogatory to the US government, ~~or~~ an agency thereof, its commercial firms, or the citizens that dwell therein
 - (c) No information that discloses sources of intelligence or the means of acquiring it
3. The real reasons behind Section 2.(a) above seems to be the same as that

given in a well-known cartoon regarding the Pentagon---it doesn't make any

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sense---it's just our policy. Mr. ^{25X1A} [REDACTED], who was kind enough to give me all this information, alleges that intelligence is exchanged on a need-to-know basis---a close relative of an overall picture---and that the ^{25X1C} [REDACTED] do not need to know about the Western Hemisphere. I pointed out that the ^{25X1C} [REDACTED] own considerable real estate in the Western Hemisphere---an idea that seemed to come as something of a shock to him---but he said that there was no use in letting the ^{25X1C} [REDACTED] in on our hemisphere defense plans. He advanced the opinion that if, for example, we planned to ^{INVADE} ~~take over~~ ^{25X1C} [REDACTED] in the ^{25X1C} [REDACTED], we should not want to apprise them of the fact.

4. We are at liberty to insist on the forwarding of SR-53 ^{25X6} [REDACTED] on grounds that there are pressing reasons why the ^{25X1C} [REDACTED] should have it. The committee, Mr. ^{25X1A} [REDACTED] thought, might look with favor upon our ~~petition~~ petition.

5. It is also a present policy of ~~SANAC-MIC~~ ~~TOZEXE~~ to exchange nothing with the ^{25X1C} [REDACTED] concerning China or points relating to that area because the ^{25X1C} [REDACTED] have recognized the Communist government while we still recognize that of Chiang Kai-Shek. Hence the ^{25X1C} [REDACTED] are allied with one group and we with another which means that the ^{25X1C} [REDACTED] might pass on our intelligence to Mao Tze-Tung.

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to US agencies might give us a reason, if we wanted one, for withholding a report merely because it made CIA or the IAC look silly.

7. Mr. ^{25X1A} [REDACTED] is going to look into the matter of whether ~~or not~~ we or they should be considered responsible for checking source material in reports to make sure the document is eligible under Section 2. (c) above.

8. Recommendations:

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[REDACTED]

- a. That Colonel ^{25X1A} [REDACTED] be told we shall not make a special request to the committee in the matter of SR-53 ^{25X6} [REDACTED] (Mr. ^{25X1A} [REDACTED] agrees)
- b. That responsible parties look into the matter of the general prohibition against intelligence on Latin America with a view to liberalization of the policy. ^{25X1A} (Mr. [REDACTED] again agrees)
- c. That the whole matter of exchange of intelligence with the ^{25X1C} [REDACTED] ^{25X1C} [REDACTED] be reviewed by those whose interest is not that of a narrow and spurious security but of the vast amount we stand to gain through free and frank exchange of information versus the small risk we run of lasting loss through possible ^{25X1C} [REDACTED] treachery.

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